

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 25, 2006**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 25, 2006, commencing at 7:01 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – Hansen*

Also Present: City Manager King, Deputy City Attorney Magdich, and City Clerk Blackston

**NOTE: Council Member Hansen was absent due to his attendance at the Northern California Power Agency Western Federal Policy Conference in Washington, D.C.*

B. TOPIC(S)

B-1 "Receive presentation on Downtown Lodi Hotel Feasibility Study as prepared by PKF Consulting"

City Manager King commented that the idea of having a hotel located in downtown Lodi first originated as part of the revitalization strategy done in 1998 by Gruen, Gruen and Associates. He reported that the 2005-06 Transient Occupancy Tax (TOT) estimate is \$350,000. Recently, the San Joaquin Partnership released an economic development strategy for the county, which referenced tourism development associated with the wine industry and downtown development as a component of an economic development strategy. Mr. King stated that hotels are a proven economic development catalyst for downtowns. With the aid of an overhead presentation, photos were shown of downtown hotels in Healdsburg, Atascadero, Paso Robles, and Chico. He noted that downtown hotels generate TOT, property tax, sales tax, and jobs. Two City-owned properties were considered by PKF Consulting in its analysis (filed) of the potential market demand for a hotel in downtown Lodi: 1) the former public safety building property at 210 West Elm Street and 2) the parking lot at 11 West Elm Street. It was determined that demand exists for mid- to high-end property with an average daily rate of \$125 with a range of 60 to 80 rooms. The target market would be winery visitors. Mr. King mentioned that there were now close to 60 wineries in and around Lodi.

Mayor Pro Tempore Johnson recalled that the former public safety building had been considered to eventually house City departments that were in rented facilities or had become overcrowded. He also asked if there was adequate space for hotel parking.

Mr. King acknowledged that if 210 West Elm Street was selected, it would necessitate the relocation of Fire Station 1. In reference to parking, the hotel could be constructed over the parking lot or there could be municipal/shared parking for the facility. Land could be reserved for future expansion of the Civic Center or a development interest might consider developing space for City purposes.

Ken Kuchman, Vice President of PKF Consulting, stated that, of the two sites considered, 210 West Elm Street is preferable because it is larger and could accommodate the required 1½ parking spaces per guest room.

In reply to Council Member Beckman, Mr. King explained that if City-owned property is used, the land value could be negotiated as an incentive to potential developers.

Mr. Kuchman reported that the development cost of the hotel on a per room basis without land would be \$130,000 a room or more. The City contributing the land would be a positive step in making the project economically feasible.

Council Member Mounce asked if there were any communities in California that had an upscale hotel across the street from a police station. She was opposed to demolishing a viable building that had a planned use for the relocation and growth of City departments and giving away the land for a hotel to be built. She felt that the former public safety building should be renovated and filled with City departments currently located in rented facilities. She commented that, too often, municipalities defer maintenance on buildings until they are beyond repair, demolish them, and build larger facilities that are even more expensive to maintain. Ms. Mounce stated that she would be in favor of giving away property at 11 West Elm for a hotel if it were deemed feasible. She asked staff to consider where Fire Station 1, Fire Administration, the Finance Department, and the Police firing range would be located if the former public safety building site was used for this project.

Mr. King responded that City services costs are increasing faster than the tax base is.

Mayor Hitchcock asked how the hotel would affect the Civic Center, and how the Civic Center would affect the hotel.

Mr. King replied that there is little interaction now between City Hall and the former public safety building. Delta College is the identified solution for the police firing range. If a new Fire Station 1 were built, Fire Administration could be located in it.

Mayor Pro Tempore Johnson suggested that Hutchins Street Square be considered as a possible site for the hotel.

Mr. King commented that it was originally thought that Hutchins Street Square was too far away; however, staff would take it into consideration.

PUBLIC COMMENTS:

- Nancy Beckman stated that it would be necessary to create a market for the hotel. She reported that during weekends when large events are taking place there is not adequate lodging in Lodi; however, hotels struggle during weekdays to fill rooms. The tour, convention, and meeting markets want full service hotels within walking distance of meeting spaces and restaurants.

Mr. King reported that it is expected the Holiday Inn Express will lose its franchise in 2007, due to its exterior hallways that do not meet standards. There are two hotels in Flag City that are cutting into Lodi's market. The Hampton Inn will be building a facility in Lodi with 90 rooms.

- Pat Patrick, President of the Lodi Chamber of Commerce, believed that the former public safety building would be too costly to renovate. In reference to a hotel being across the street from the police station, he saw it as a benefit, as customers might feel safer. He noted that Wine & Roses Hotel is filled every weekend from spring through fall and felt there was room for expansion in the market.

Mayor Pro Tempore Johnson recalled that the estimated renovation cost of the former public safety building was discussed previously and he asked that the information be given to Council.

Mayor Hitchcock stated that she supported the Civic Center concept; however, she felt that retaining it should be weighed against the benefit of a long-term investment in the downtown.

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- Pete Iturraran, Fire Captain, felt that more than two sites should be considered. He supported the suggestion to look at Hutchins Street Square as a possible location, noting that the facility is currently a burden to the City's budget.
- Nancy Geweke, representing the Lodi Conference and Visitors Bureau and GREM Properties, commented that the Hampton Inn would be adjacent to the highway. She stated that many people do not use Hutchins Street Square because there is no lodging within walking distance.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:01 a.m.

ATTEST:

Susan J. Blackston
City Clerk